

ccg  
COMPETITIVE COMMUNICATIONS

GROUP

RECEIVED  
AUG 13 AM 10 53

EXECUTIVE SECRETARY

August 17, 2000

Joe Werner, Chief  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

RE: Application of Premiere Network Services, Inc. ("Premiere") for a Certificate to Provide Competing Local Telecommunications Services in the State of Tennessee (Docket No. 00-00632)

Per Mr. Darrell Whitis, TRA - Telecom request, enclosed for filing with the Commission are an original and thirteen (13) copies of the additional information that was requested by him.

Please note that the above application has already been filed and this was just additional information that was requested by the Commission in order to process the application.

Please date-stamp the enclosed extra copy of this letter and return it in the self-addressed, stamped envelope provided. Should you have any questions concerning this filing, please do not hesitate to contact the undersigned at 301-842-1437.

Respectfully submitted,

*Terri K. Firestein* <sup>NEH</sup>

Terri K. Firestein  
Consultant to Premiere Network Services, Inc.

Enclosures

POSTED  
8-23-00

**Information Requested by  
The Tennessee Regulatory Authority  
Docket No. 00-00632**

RECEIVED  
SECRETARY'S OFFICE  
00-00632  
AM 10 54  
TENNESSEE  
EXECUTIVE SECRETARY

**I. Financial Requirements:**

1. Estimated cost of network, switches, and unbundled network elements (UNEs)

**Until such time as the Interconnection Agreement is completed with BellSouth Applicant is not able to estimate the cost of unbundled network elements. Applicant will not be placing a switch in Tennessee and network elements consisting of transport facilities will be leased from the Incumbent. Applicant will be in a better position to estimate these cost upon completion of the Interconnection Agreement and will gladly provide the TRA information at that time.**

2. Three Year Projected financial statements of the Applicant and/or parent company including the Balance Sheet, Income Statement, and Statement of Cash Flows

**See attached Late File Exhibit A.**

3. Three Year capital expenditures budget including (a) Equipment to be deployed; (b) Cost of equipment; (c) Sources of funding Tennessee network, equipment, UNEs: cash, loan commitments, vendor credits, letters of credit, etc. (complete detail).

**See attached Late File Exhibit A.**

4. Please quantify amounts including in the financial statements and projections concerning reciprocal compensation for terminating ISP traffic.

**Applicant is not projecting any revenue associated with reciprocal compensation for terminating ISP traffic.**

5. TCA 65-4-125 amendment states that by September 1, 2000, all telecommunications service providers subject to the control and jurisdiction of the authority, except those owners or operators of public telephone service who pay annual inspection and supervision fees pursuant to Tennessee Code Annotation, 65-4-301(b), or any telecommunications service provider that owns and operates equipment facilities in Tennessee with a value of more than five million (\$5,000,000), shall file with the authority a corporate surety bond or irrevocable letter of credit in the amount of twenty thousand dollars (\$20,000) to secure the

payment of any monetary sanction imposed in any enforcement proceeding, brought under this title or the Consumer Telemarketing Protection Act of 1990, by or on behalf of the authority. Provide a statement outlining the Applicant's intent to abide by TCA 65-4-125 and provide a corporate surety bond by September 1, 2000 if applicable.

**Applicant will not own facilities or equipment in the state of Tennessee. Applicant will lease facilities from the incumbent provider. Applicant does not believe TCA 65-4-125 applies.**

- II. Small & Minority-Owned Telecommunications Business Participation Plan:**  
TCA 65-5-212 provides applicant shall file a plan with the Authority along with application for certificate. Such shall contain entity's plan for purchasing goods and services from Small and Minority Owned Telecommunications businesses and information on programs, if any, to provide technical assistance to such businesses.

**Please note that Premiere has submitted the revised Plan in accordance with the example provided by Mr. Darrell Whitis on July 24, 2000 and that Premiere believes that this Plan is in compliance with the State regulations. See attached Late File Exhibit B.**

- III. TRA Rules for Local Telecommunications Providers**  
Applicant should serve notice of its application on the eighteen (18) incumbent local exchange telephone companies in Tennessee with a statement regarding the company's intention of operating geographically. The TRA requires a written certificate of service from the applicant.

**See attached Late File Exhibit C.**

- IV. Toll Dialing Parity Plan for Applicants Providing Voice Grade Service:**

**See attached Late File Exhibit D.**

- V. Managerial Requirements:**

**See attached Late File Exhibit E.**

- VI. Technical Requirements:**

1. Type of equipment to be deployed: DMS-100 or 5ESS, etc. Fiber Rings, etc.

**Premiere will not own any facilities or equipment. Premiere will lease existing facilities and equipment owned by the ILEC. Premiere will purchase unbundled network elements including UNE-P, local switching and transport facilities.**

2. State if there are any special CPE (Customer Provided Equipment) requirements that would not be compatible with an incumbent carrier.

**There are no special CPE requirements that would not be compatible with an incumbent carrier.**

**VII. Miscellaneous Requirements:**

1. Sworn pre-filed testimony is needed for CLEC applications. This testimony should describe the services to be provided, the applicant's technical, managerial, and financial abilities to provide the services and affirm that all information submitted is true and correct.

**See attached Late File Exhibit F.**

2. Tariff should be filed subsequent to applications approval and before commencing operations (tariffs filed with application are informational only, not official filings).

**Informational only tariffs were filed in original application.**

3. Applicant's involvement in pertinent mergers, acquisitions, etc.? Provide a chart showing the applicant's corporate structure.

**See attached Late File Exhibit G.**

4. Are customer deposits required? If yes, amount required? Is the applicant bonded for the amount of the deposits?

**No, customer deposits are not required.**

5. Identify all complaints filed with state and federal regulatory agencies involving your company or affiliated entities. Identify the nature of the complaint, which governmental agency or office received the complaint, and how was the complaint resolved.

**Premiere, currently has no complaints filed with the state and federal regulatory agencies involving their company or affiliated entities.**

6. Please state if the applicant plans to offer services in areas served by any incumbent local exchange telephone company with fewer than 1000,000 total access lines.

**Premiere wishes to be granted statewide authority within the State of Tennessee except in those areas not yet open to competition.**

7. Does the company intend to telemarket its services in Tennessee? If yes, is the company aware of the telemarketing statutes and regulations found in TCA 65-4-401 *et seq.* And Chapter 1220-4-11?

**No, Premiere does not intend to telemarket their services in Tennessee.**

**VIII. Numbering Issues**

1. What is your company's expected demand for NXXs per NPA within a year of approval of your application?

**Premiere expects an approximate 2 NXX(s) per NPA within one year of approval in the State of Tennessee.**

2. How many NXXs do you estimate that you will request from NANPA when you establish your service footprint?

**Premiere anticipates that a total of 6 NXX(s) will be sufficient for its initial operation in the State of Tennessee.**

3. When and in what NPA do you expect to establish your service footprint?

**Premiere expects to initially establish its footprint in Nashville, TN 615 NPA.**

4. Will the company sequentially assign telephone numbers within NXXs?

**No, the company will not sequentially assign telephone numbers. Numbers will be assigned randomly to the extent possible. However, Premiere intends to follow all rules and regulations regarding number assignment policy mandated by the FCC and NANPA (number pooling). Additionally, should the TRA mandate number assignment policies as a result of number pooling administration decisions Premiere fully expects to adhere to the rule(s).**

5. What measures does the company intend to take to conserve Tennessee numbering resources?

**In observance of Tennessee numbering resources, Premiere will not order NXX codes in excess of anticipated current growth.**

6. When ordering new NXXs for growth, what percentage fill of an existing NXX does the company use to determine when a request for a new NXX will be initiated?

**In ordering NXX(s) for growth, Premiere will request new NXX(s) when 75% of its numbers are depleted.**

**VIX. Tennessee Specific Operational Issues:**

1. How does the company intend to comply with TCA 65-21-114? In its description, please explain technically how the company will not bill for countywide calls within Tennessee.

**Premiere will utilize the Terminating Point Master (TPM) to identify calls being placed within county boundaries. This data will allow the Premiere billing system to identify this type of traffic and bill it properly.**

2. Is the company aware of the Tennessee County Wide Calling database maintained by BellSouth and the procedures to enter your telephone numbers on the database?

**No, Premiere is not aware of the Tennessee County Wide Calling Database maintained by BellSouth. However, Premiere will take steps necessary to familiarize ourselves with that database and learn procedures and proper implementation of numbers in that database.**

3. Explain the procedures that will be implemented to assure that your customers will not be billed long distance charges for calls within the metro calling areas.

**Using the Incumbent Tariff as a guide for local calling scope, EAS and metro calling areas Premiere will ensure switch translations will be properly set up to assure that customers are not billed long distance charges for calls within the metro calling area.**

**EXHIBIT INDEX**

- EXHIBIT A:**        **THREE YEAR FINANCIAL STATEMENTS INCLUDING  
BALANCE SHEET, INCOME STATEMENT, &  
STATEMENT OF CASH FLOWS**
- THREE YEAR CAPITAL EXPENDITURES BUDGET**
- EXHIBIT B:**        **SMALL & MINORITY OWNED  
TELECOMMUNICATIONS BUSINESS PARTICIPATION  
PLAN**
- EXHIBIT C:**        **TRA RULES FOR LOCAL TELECOMMUNICATIONS  
PROVIDERS**
- EXHIBIT D:**        **TOLL DIALING PARITY PLAN FOR PROVIDING VOICE  
GRADE SERVICE**
- EXHIBIT E:**        **MANAGERIAL BIOGRAPHIES**
- EXHIBIT F:**        **PRE-FILED TESTIMONY**
- EXHIBIT G:**        **CORPORATE STRUCTURE CHART**

**EXHIBIT A**

**THREE YEAR FINANCIAL STATEMENTS INCLUDING BALANCE SHEET,  
INCOME STATEMENT, & STATEMENT OF CHASH FLOWS**

**&**

**THREE YEAR CAPITAL EXPENDITURES BUDGET**



Premiere Network Services, Inc.  
**TN Projected Balance Sheets**  
 As of December 31, 2000, 2001 & 2002

	Year		Year		Year	
	Jan '00 - Dec '00		Jan '01 - Dec '01		Jan '02 - Dec '02	
<b>ASSETS</b>						
Current Assets						
Checking/Savings	1,000	12.12%	1,000	2.66%	1,000	1.44%
Accounts Receivable-Trade	2,000	24.24%	25,000	66.59%	50,000	72.20%
Settlement Compensation Rec	900	10.91%	7,500	19.97%	14,500	20.94%
<b>Total Current Assets</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>
Fixed Assets	3,900		33,500		65,500	
Software Development						
Office Equipment & Furniture	1,000	12.12%	1,000	2.65%	1,000	1.44%
Other Equipment	2,500	30.30%	2,500	6.66%	2,500	3.61%
Accumulated Depreciation	1,000	12.12%	1,000	2.65%	1,000	1.44%
<b>Total Fixed Assets</b>	<b>(150)</b>	<b>-1.82%</b>	<b>(450)</b>	<b>-1.20%</b>	<b>(750)</b>	<b>-1.08%</b>
<b>TOTAL ASSETS</b>	<b>4,350</b>		<b>4,050</b>		<b>3,750</b>	
	8,250	100.00%	37,550	100.00%	69,250	100.00%
<b>LIABILITIES &amp; EQUITY</b>						
Liabilities						
Current Liabilities						
Accounts Payable	1,120	13.58%	5,610	25.59%	11,350	16.39%
Taxes/Fees Payable (Tele Svcs)	290	3.52%	3,250	8.66%	6,450	9.31%
Notes Payable-Parent Company	7,749	93.93%	28,399	75.63%	51,051	73.72%
<b>Total Current Liabilities</b>	<b>9,159</b>		<b>41,259</b>		<b>68,851</b>	
Equity						
Common Stock						
Retained Earnings-State Share	(909)	-11.02%	(3,709)	-9.88%	399	0.58%
<b>Total Equity</b>	<b>(909)</b>		<b>(3,709)</b>		<b>399</b>	
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>8,250</b>	<b>100.00%</b>	<b>37,550</b>	<b>100.00%</b>	<b>69,250</b>	<b>100.00%</b>

Prepared Internally

DPM07/13/00

Premiere Network Services, Inc  
**TN Projected Income Statements**  
 For the Years Ended December, 2000, 2001 & 2002

	Year		Year		Year	
	Jan '00 - Dec '00		Jan '01 - Dec '01		Jan '02 - Dec '02	
Ordinary Income/Expense						
Income						
Telephone Service Operations	4,750	84.07%	118,000	81.10%	135,000	75.21%
Settlement Compensation	900	15.93%	27,500	18.90%	44,500	24.79%
Total Income	5,650	100.00%	145,500	100.00%	179,500	100.00%
Cost of Goods Sold	-	-	-	-	-	-
Sales Commission	475		11,800		13,500	
Settlement Comp Exp	224		6,844		11,075	
Telephone Cost	2,731		67,850		77,625	
Total COGS	-	-	-	-	-	-
Gross Profit	3,430	60.71%	86,494	59.45%	102,200	56.94%
Expense	2,220		59,006		77,300	
Operating Exp - General	377		509		662	
Payroll Expenses	1,087		47,572		56,210	
Sales and Marketing	350		750		990	
General and Administrative	515		12,974		15,330	
Amortization						
Total Expense	3,128	55.37%	61,805	42.48%	73,192	40.78%
Net Income	(909)	(0.16)	(2,800)	(0.02)	4,108	0.02

DFM07/13/00

Prepared Internally

Premiere Network Services, Inc  
**TN Projected Cash Flow**  
 For the years ended December 31, 2000, 2001 & 2002

OPERATING ACTIVITIES			
Net Income	(909)	(2,800)	4,108
Adjustments to reconcile Net Income to net cash provided by operations:			
Accounts Receivable-Trade	(2,000)	(23,000)	(25,000)
Settlement Receivable	(900)	(6,600)	(7,000)
Accounts Payable	1,120	8,490	1,740
Taxes/Fees Payable (Tele Svcs)	290	2,960	3,200
Intra-Company Notes	7,749	20,650	23,252
Net Adjustments to reconcile Net Income to net cash provided by operations:	5,350	(300)	300
INVESTING ACTIVITIES			
Software Development	(1,000)	-	-
Office Equipment & Furniture	(2,500)	-	-
Other Equipment	(1,000)	-	-
Accumulated Depreciation	150	300	(300)
Investing Activities	(4,350)	300	(300)
FINANCING ACTIVITIES			
Common Stock	-	-	-
Net cash provided by Financing Activities	-	-	-
Net cash increase for period	1,000	-	-
Cash at beginning of period	-	1,000	1,000
Cash at end of period	1,000	1,000	1,000

DPM07/15/00

Prepared Internally

**EXHIBIT B**

**SMALL & MINORITY OWNED TELECOMMUNICATIONS BUSINESS  
PARTICIPATION PLAN**

## **Small and Minority Owned Business Participation Plan**

### **Policy Statement**

It is the policy of Premiere Network Services, Inc. ("Premiere") to provide maximum practicable opportunity for Small Businesses, Small Disadvantaged Businesses, and Women-Owned Businesses to compete for subcontracts awarded by Premiere on a fair and equal basis with all suppliers and contractors. Premiere is committed to the identification and selection of qualified businesses in these categories, and encourages their participation by familiarizing them with Premiere's procurement requirements.

Further, it is the policy of the Company to pay its subcontractors in a timely manner, pursuant to the terms of their subcontracts, and that its contractors establish procedures to ensure timely payment to Small Business and Small Disadvantaged Business concerns.

This program is specifically directed toward complying with Federal Acquisition Regulation (FAR 19.704), Public Law 95-507, and other related law and regulations.

### **Definitions**

Small Business Concern - means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on government contracts, and qualified as a small business under the criteria and size standards in 13 CFR, part 121 (see FAR 19.102).

Small Disadvantaged Business Concern - means a small business concern that is at least 51 percent unconditionally owned by one or more individuals who are both socially and economically disadvantaged, or a publicly owned business having at least 51 percent of its stock unconditionally owned by one or more socially or economically disadvantaged individuals and has its management and daily business controlled by one or more such individuals. This term also means a small business concern that is at least 51 percent unconditionally owned by an economically disadvantaged Indian Tribe or native Hawaiian Organization and meets the requirements of 13 CFR Part 124.

Women-Owned Business - is a small business that is at least 51 percent owned by a woman or women who also control and operate the business.

- a. Control means exercising the power to make policy decisions.
- b. Operate means being actively involved in the day-to-day management.

## **Goals**

Premiere provides a "Commercial Product", as defined in FAR 52.219.9. Accordingly, in developing its annual purchasing goals, those goals will be based upon contracts for regular commercial sales.

## **Products and Services Included in This Plan**

The principal products and services included in this plan are:

1. Switching and Transmission Equipment.
2. Contract Labor.
3. Printed Forms.
4. Office Supplies - Furniture, Packing Materials, Stationery, Machines, and Data Supplies.
5. General Building Construction.
6. Janitorial/Landscape/Yard Sweeping/Refuse Collection.
7. Building Maintenance.
8. Outside Plant Construction.
9. Tools/Test Equipment.
10. Equipment Leasing.
11. Software.
12. Equipment Rehabilitation and Assembly.
13. Other (including, but not limited to, audio, photographic, moving, catering, etc.)

Items 2 through 13 are anticipated to have the greatest opportunities for Small Business and Small Disadvantaged Business participation.

## **Record Keeping and Compliance/Reporting**

Premiere will maintain, on a company-wide basis, records showing procedure adopted to comply with the terms of this plan, including source lists of Small, Small Disadvantaged, and Women-Owned Businesses; awards to businesses on the source list; and participation in educational programs, trade shows, and minority fund raising council activities. The records shall also include:

1. Organizations contacted in an attempt to locate sources that are Small or Small Disadvantaged Businesses.
2. Records on each subcontract solicitation resulting in an award of more than \$100,000.00 indicating (a) if Small Business Concerns were solicited, and if not, why; (b) if Small Disadvantaged Business Concerns were solicited, and if not, why; and (c) if applicable, the reason why an award was not made to a Small Business Concern.

3. Records on any outreach efforts to contact (a) trade associations, (b) business development organizations, and (c) conferences and trade fairs to locate Small and Small Disadvantaged Business sources.
4. Records on internal guidance and encouragement provided to buyers through (a) workshops, seminars, and training, and (b) monitoring performance to evaluate compliance with the program's requirements.

Premiere will cooperate in any surveys or studies, as may be required; submit periodic reports in order to allow the government to determine the extent of compliance. Premiere reserves the right to designate as "confidential" or "proprietary" certain documents, reports, surveys, or studies.

### **Administration**

Premiere' Plan will be overseen and administered by the individual named below, hereinafter referred to as the Administrator, who will be responsible for carrying out and promoting Premiere' full efforts to provide equal opportunities for small and minority-owned businesses. The Administrator of the Plan will be:

Mr. Leo A Wrobel, President, Founder and CEO  
Premiere Network Services, Inc.  
1510 North Hampton Road  
Suite 120  
DeSoto, Texas 75115  
Phone: (972) 228-8881  
Fax: (972) 228-8889

The Administrator's responsibilities will include:

- (1) Maintaining an updated Plan in full compliance with the rules and orders of the Michigan Public Service Commission.
- (2) Establishing and developing policies and procedures necessary for the successful implementation of the Plan.
- (3) Preparing and submitting such forms as may be required by the Michigan Public Service Commission, including the filing of required annual updates.
- (4) Serving as the primary liaison to and cooperate with the Michigan Public Service Commission, other agencies of the State of Michigan, and small and minority-owned businesses to locate and use qualified small and minority-owned businesses.
- (5) Searching for and developing opportunities to use small and minority-owned businesses and encouraging such businesses to participate in and bid on contracts and subcontracts.

- (6) Providing records and reports and cooperates in any authorized surveys as required by the Michigan Public Service Commission.
- (7) Establishing a record-keeping system to track qualified small and minority-owned businesses and efforts to use such businesses.
- (8) Providing information and educational activities to persons within Premiere and training such persons to seek out, encourage, and promote the use of small and minority-owned businesses.

In performance of these duties, the Administrator will utilize a number of resources, including:

**Chambers of Commerce**

The United States Department of Commerce

Small Business Administration

Office of Minority Business

The National Minority Supplier Development Counsel

The National Association of Women Business Owners

The National Association of Minority Contractors

Historically Black Colleges, Universities, and Minority Institutions

**Purpose**

The purpose of Section 65-5-212 is to provide opportunities for small and minority-owned business to provide goods and services to Telecommunications service providers. Premiere is committed to the goals of Section 65-5-212 and to taking steps to support the participation of small and minority-owned Telecommunications business in the Telecommunications industry. Premiere will endeavor to provide opportunities for small and minority-owned Telecommunications businesses to compete for contracts and subcontracts for goods and services. As part of its procurement process, Premiere will make efforts to identify and inform minority-owned and small businesses that are qualified and capable of providing goods and services to Premiere of such opportunities. Premiere's representatives will contact the Department of Economic and Community Development, the administrator of the small and minority-owned Telecommunications assistance program, to obtain a list of qualified vendors. Moreover, Premiere will seek to increase awareness of such opportunities so that companies not otherwise identified will have sufficient information to participate in the procurement process.



**EXHIBIT C**

**TRA RULES FOR LOCAL TELECOMMUNICATIONS PROVIDERS**

CERTIFICATE OF SERVICE

I, Terri K. Firestein, hereby certify that on the 8th day of August, 2000, notice was served by first class mail that Premiere Network Services, Inc. filed an application with the Tennessee Regulatory Authority for a "Certificate to Provide Competing Facilities-Based Local and Intrastate Interexchange Telecommunications Services" on the local exchange service providers listed below.

Terri K. Firestein <sup>not</sup>  
Terri K. Firestein

**Ardmore Telephone Company Inc.**  
P.O. Box 549  
517 Ardmore Avenue  
Ardmore, TN 38449

**BellSouth**  
333 Commerce Street  
Nashville, TN 37201-3300

**Century Telephone of Adamsville**  
P.O. Box 405  
116 N. Oak Street  
Adamsville, TN 38310

**Century Telephone of Claiborne**  
P.O. Box 100  
507 Main Street  
New Tazewell, TN 37825

**Century Telephone of  
Ooltewah-Collegedale, Inc.**  
P.O. Box 782  
5616 Main Street  
Ooltewah, TN 37363

**Citizens Communications Company  
of Tennessee**  
P.O. Box 770  
300 Bland Street  
Bluefield, WV 24701

**Citizens Communications Company of  
The Volunteer State**  
P.O. Box 770  
300 Bland Street  
Bluefield, WV 24701

**Loretto Telephone Company, Inc.**  
P.O. Box 130  
Loretto, TN 38469

**Millington Telephone Company, Inc.**  
4880 Navy Road  
Millington, TN 38053

**Sprint-United**  
112 Sixth Street  
Bristol, TN 37620

**TDS Telecom-Concord Telephone  
Exchange, Inc.**  
P.O. Box 22610  
701 Concord Road  
Knoxville, TN 37933-0610

**TDS Telecom-Humphreys County  
Telephone Company**  
P.O. Box 552  
203 Long Street  
New Johnsonville, TN 37134-0552

**TDS Telecom-Tellico Telephone  
Company, Inc.**

P.O. Box 9  
102 Spence Street  
Tellico Plains, TN 37385-0009

**TDS Telecom-Tennessee Telephone  
Company**

P.O. Box 18139  
Knoxville, TN 37928-2139

**TEC-Crockett Telephone Company, Inc. TEC-People's Telephone Company, Inc.**

P.O. Box 7  
Friendship, TN 38034

P.O. Box 310  
Erin, TN 37061

**TEC-West Tennessee Telephone Co.**

P.O. Box 10  
244 E. Main Street  
Bradford, TN 38316

**United Telephone Company**

P.O. Box 38  
120 Taylor Street  
Chapel Hill, TN 37034

**EXHIBIT D**

**TOLL DIALING PARITY PLAN FOR PROVIDING VOICE GRADE SERVICE**

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

In the Matter of the Application of )  
**Premiere Network Services, Inc.** )  
 )  
For a Certificate to Provide Competing Local and ) No. \_\_\_\_\_  
Intrastate Interexchange Telecommunications Service )

**Premiere Network Services, Inc.**

**IntraLATA Equal Access Implementation Plan**

Premiere Network Services Inc. ("Premiere" or "the Company") hereby provides an IntraLATA Equal Access Plan in response to the Federal Communication Commission's (the "FCC") Order of March 23, 1999.

**I. OBJECTIVE/PURPOSE**

In compliance with the FCC's Order and 47 C.F.R. 51.213, Premiere files the Company's plan for implementing intraLATA Equal Access ("the Plan") in the areas of the State in which the company will be certified to provide local exchange service.

The intent of the Plan is to permit voice service customers to route intraLATA toll calls automatically, without the use of access codes, to any interexchange carrier ("IXC") of the customer's choice that has established itself as an access customer under Premiere' Access Services Tariff.

**II. IMPLEMENTATION SCHEDULE**

Simultaneously, with Premiere' initial offer of voice services, Premiere will offer dialing parity for intraLATA toll calls. At that time, Premiere' retail customers will be able to choose any IXC that has established itself as an access customer under Premiere' Access Tariff.

### **III. CARRIER SELECTION PROCEDURES**

When voice services are offered, Premiere will implement the full 2-PIC carrier selection methodology as required by the TRA. With the full 2-PIC methodology, customers will be able to presubscribe to one telecommunications carrier for interLATA toll calls and to presubscribe to the same or a different participating telecommunications carrier for intraLATA toll calls.

Processes will be established to provide new customers with an opportunity to choose their intraLATA toll carrier. When voice services are offered, Company employees who communicate with the public, accept orders and serve in customer service capacities will be trained to explain to customers the availability of 2-PIC equal access, and to assist customers in making an initial PIC choice or in changing a PIC choice for intraLATA and interLATA toll calls.

### **IV. NEW CUSTOMERS**

If requested by a voice service customer, Premiere will provide a list of telecommunication carriers that are access customers and are maintaining a relationship with Premiere pursuant to the provisions of the Company's Access Services Tariff. The list of intraLATA toll carriers will be presented in a competitively neutral manner. New voice customers who do not make a choice for an intraLATA toll carrier will be identified within Premiere' system as "no-PIC" and will not be automatically defaulted to a carrier. New voice customers identified as "no-PIC" within Premiere' system will be required to dial the access code of a different carrier to place intraLATA toll calls until they make an affirmative choice for an intraLATA toll carrier.

## **V. EXISTING CUSTOMERS**

Premiere is not yet a certified carrier in Tennessee and, thus, has no existing customers.

## **VI. INITIAL PIC REQUEST**

A voice customer's initial PIC request will be made at no charge. After the initial PIC, Premiere will bill a customer a PIC change charge at a rate no greater than the rate for the selection of an interLATA PIC.

## **VII. CARRIER NOTIFICATION**

Interexchange carriers that desire to become access customers shall notify Premiere via letter or telephone call of their desire to obtain exchange access service information. Premiere will send each requesting carrier an information package describing Premiere's service, processes and applicable tariffs. Once Premiere receives and processes an IXC's Access Service Request, that carrier will be added to the list of participating carriers made available to a requesting customer trying to choose a PIC. Premiere will provide notice of those switches available for exchange access service to IXCs by identifying those switches in Premiere's federal tariffs, *e.g.* NECA Tariff No. 4. In addition, Premiere will include a list of available switches in its information package provided to each IXC in response to an inquiry.

## **VIII. ANTI-SLAMMING PROCEDURES**

Premiere will enforce the FCC slamming rules currently in place from the December 23, 1998 Second Report and Order, CC Docket No. 94-129 pertaining to PIC Verifications and Preferred Carrier Freezes. Premiere will enforce the FCC slamming liability rules as well.

**IX. ACCESS to OPERATOR SERVICES and DIRECTORY ASSISTANCE**

Access to Operator Services and Directory Assistance will continue to be available through the voice service customer's local exchange service provider or interLATA toll service provider. No industry standard has been established for access to Operator Services and Directory Assistance unique to the intraLATA toll service provider. For Operator Services, voice service customers will dial "0" to reach their local exchange operator and "00" to reach their interLATA PIC operator. For Directory Assistance, customers dial "1-411" in Premiere' service territory for accessing the local exchange Directory Assistance and customers dial "1-NPA-555-1212" for accessing their interLATA PIC Directory Assistance.

The local and interLATA Operator Services and Directory Assistance may be branded by the local and interLATA service providers, as appropriate, based on the dialing pattern of the customer. Since no unique intraLATA dialing pattern currently exist in the industry, Premiere is not capable of identifying intraLATA calls to Premiere' or the interLATA PIC operators or directory assistance representatives. As such, this procedure is considered in compliance with FCC Order No. 96-333, Rule 51-217(d).

Telephone

**X. NON-DISCRIMINATORY ACCESS to TELEPHONE NUMBERS and DIRECTORY LISTINGS**

Premiere will provide non-discriminatory access to telephone numbers and directory listings at the time its begins to provide voice services.



**EXHIBIT E**

**MANAGERIAL BIOGRAPHIES**

## Management Staff Biographies

**Leo A. Wrobel** Premiere's founder and CEO since 1986 is a noted author and technical futurist, responsible for many technology firsts. These include the first private microwave shot in Dallas for a financial services company, the first T1 traffic to be carried on a cable TV system in Dallas, and the largest SONET/ATM network ever installed in Texas. Leo was also the first in the USA to co-locate a computer disaster recovery center in a telephone office, a practice that has since gained widespread acceptance. He has lectured throughout the USA and overseas, and has appeared on several television news programs. He has authored ten books and over 400 trade articles. His consulting and seminar clients include companies such as: American Airlines Sabre Group, Affiliated Computer Services (ACS), Ameritech, American Cyanamid, AT&T, AT&T Bell Labs, Bank of California, Bell South, Bemis Co., Carlson Companies, Con Edison, City of Dallas, City of Tulsa, Dana Corp., Dept of Defense, EDS, Ericsson, Exxon, Fed Energy Reg Comm, GTE, Fed Bureau Labor Stats, Lomas and Nettleton, MCI, Moore Business Forms, Northrup, Occidental, Pacific Gas & Elect, Pacific Health Care, Reliance Electric, Southern Bell, Southwestern Bell, State of Hawaii, Tel Aviv Stock Exchange, Tellabs, Texas Employment Commission, Texas Department of Public Safety, Texas Department of Rehabilitation, Texas Instruments, United Health, USAA, US Army, US Military Academy, Weyerhaeuser, and more.

**Eddie M. Pope** has over twenty years experience in telephone regulation in various capacities. He was the principle advisor to Chairman Robert W. Gee at the Texas Public Utility Commission. In that role, he helped formulate the rules and regulations governing telephone companies in Texas. Mr. Pope also has previous employment experience with the Oklahoma Corporation Commission, and Oklahoma Legislature. Education: Bachelors degree, History, Oklahoma City University, (1972) J.D. in law from Oklahoma University (1975).

**Harold J. Erbs** is co-founder and former CEO of Qwest. An accountant by trade, Harold Erbs has proven to be a savvy financial complement to Wrobel, and battle-tested chairman to Premiere. Education: BS/Accounting, St. Louis University (1954) and an MBA from the University of Texas (1983).

**H. Bryan Bonham** has 18+ years experience in long distance and operator service companies. Bryan has extensive regulatory experience and serves as President and CEO of Washington DC-based CommDev/CDM. Bachelor of Science degree in Social and Business Sciences, University of Virginia. (1985)

**Archie M. Croom** has 25+ years' experience in data communications in network analysis, engineering, modeling, and design. Education: B.S.- Electrical Engineering from the University of Texas (1970).

**William H. Maybaum** has 25+ years in the industry, including executive positions at Fidelity Investments and The DMW Group. His career experience includes electronic manufacturing, service bureau operations, and consulting and financial services. Bill led Fidelity's communications organization with a staff of 200, and was responsible for development of services focused on global call center solutions and automated voice services. Education: Bachelors in Applied Mathematics and Systems Analysis, Michigan State (1970)

**Gen. Donald R. Walker**, USAF, ret, is former President of USAA Information Technology Company (ITCO) where he oversaw the world's largest call center operation. In the Air Force, Don wore two hats in a 2200 person contracting agency responsible for launch and operation of numerous national reconnaissance space systems with \$22 billion in active contracts. He was also responsible for a \$3.5 billion annual budget as Director, Acquisitions and Operations. General Walker led the Advance Development Team charged with developing the post Cold War architecture and acquisition planning for our nation's space-based reconnaissance systems. Education: Whorton Business School, Advanced Executive Education Program (1999), Professional Project Manager Certification, Project Management Institute (1998), Program Manager Executive, Defense Systems Management College (1987), Distinguished Graduate, Air War College, (1985), MBA, Auburn University (1980), MS Mechanical Engineering, University of Southern California (1971), B.S. Engineering Science, U.S.A.F. Academy, (1966)

**Gerald R. Mayfield** has 30+ years in the industry, including an executive position as president of the world renowned DMW Group. His experience includes investing, managing, developing businesses, marketing and consulting. He also served as a Venture Partner with Accel Partners where he advised and developed venture funded companies. Mr. Mayfield has served on the Board of Directors of several companies including an independent telephone company, a software company, an equipment manufacturer and a telecom facilities management firm. Education: BS / MS degrees, Electrical Engineering, Oklahoma State University.

**T. Scott Atkinson** has 25+ years experience including management positions at a large oil company, major hospital and several diversified financial services companies. Mr. Atkinson is president of San Antonio-based InfoComm Services. Education: B.Sc. Physics, Texas A&M (1961), MBA, Pepperdine Univ. (1979) Post graduate, Univ. Texas, San Antonio (1987-88) and at St. Mary's University (1989).

**EXHIBIT F**

**PRE-FILED TESTIMONY**

**BEFORE THE  
TENNESSEE REGULATORY AUTHORITY**

Docket No. 00-00632

**IN RE:       PREMIERE NETWORK SERVICES, INC.**

Application for a Certificate to Provide Competing Local and  
Intrastate Interexchange Telecommunications Services

PRE-FILED TESTIMONY OF LEO A. WROBEL

ON BEHALF OF

PREMIERE NETWORK SERVICES, INC.

August 8, 2000

**Q: Please state your name and business address.**

**A:** My name is Leo A. Wrobel. My business address is 1510 North Hampton Rd., Suite 120, DeSoto, Texas 75115.

**Q: By whom are you employed and in what capacity:**

**A:** I am employed by Premiere Network Services, Inc. ("Premiere") as its President and Chief Executive Officer.

**Q: Please briefly describe your background and qualifications.**

**A:** I founded Premiere in 1986 and I am the CEO. I am a noted author and technical futurist, responsible for many technology firsts. These include the first private microwave shot in Dallas for a financial services company, the first T! traffic to be carried on a cable TV system in Dallas, and the largest SONET/ATM network ever installed in Texas. I was also the first in the USA to co-locate a computer disaster recovery center in a telephone office, a practice that has since gained widespread acceptance. I have lectured throughout the USA and overseas, and have appeared on several television news programs. I have authored ten books and over 400 trade articles. My consulting and seminar clients include companies such as: American Airlines Sabre Group, Bernis Co., Carlson Companies, Con Edison, City of Dallas, City of Tulsa, Dana Corp., Dept. of Defense, EDS, Ericsson, Exxon, Fed Energy Reg. Comm., GTE, Fed Bureau Labor Stats, Lomas and Nettleton, MCI, Moore Business Forms, Northrup, Occidental, Pacific Gas & Electric, Southern Bell, Southwestern Bell, State of Hawaii, Tel Aviv Stock

Exchange, Tellabs, Texas Employment Commission, Texas Department of Public Safety, Texas Department of Rehabilitation, Texas Instruments, United Health, USAA, US Army, US Military Academy, Weyerhaeuser, and more. As CEO, I am responsible for general management and control of Premiere's operations in those states where it conducts or intends to conduct business. My responsibilities include, but not limited to, interconnection matters. In addition, I am overseeing the efforts of Premiere to obtain certification as a competitive local exchange and interexchange carrier in several states.

**Q: For whom are you testifying in this matter?**

**A:** I am testifying on behalf of Premiere Network Services, Inc.

**Q: Please provide a description of your company?**

**A:** Premiere is a management consultancy, founded by Leo A. Wrobel in 1986 specializing in Emerging Telecommunication Technologies, Business Resumption Planning and Technical Training. As executive consultants to leading-edge "Fortune" level clientele, Premiere is often called to recommend revolutionary, and far-reaching changes in our clients telecommunications networks as well as specify new modes of business operation in both the telecommunications and business resumption arenas.

As a "Designer Carrier"<sup>TM</sup>, Premiere's strategy differs from most competitive telecommunications service providers, principally because Premiere builds no

network until after it is sold. Until this occurs, revenues are derived from "Engineering and Set-Up Fees". When these engineering engagements are complete (12-18 months), the network is constructed on a custom basis for Premiere's "Fortune" users, using traditional asset-based financing.

**Q: What is the purpose of your testimony?**

**A:** The purpose of my testimony is to support the grant to Premiere Network Services, Inc. of authority to provide facilities-based and resold basic local exchange services and interexchange service within the State of Tennessee. Additionally, to illustrate to the TRA that Premiere Network Services, Inc. is well-qualified financially, technically and managerially to provide the services for which it seeks authority within the State of Tennessee.

**Q: Are you familiar with the Application submitted by Premiere Network Services, Inc. to this Commission?**

**A:** Yes.

**Q: Do you ratify and confirm the statements made therein?**

**A:** Yes.

**Q: What type of service does Premiere Network Services, Inc. propose to provide within the State of Tennessee?**

**A:** Premiere proposes to provide resold and facilities-based basic local exchange telecommunications services to subscribers in the specified exchanges of Bell South. Premiere's services will be available on a full-time basis, twenty-four (24)

hours a day, seven (7) days a week. Premiere intends to offer consumers in the State of Tennessee, value-added options by not only being in a position to specify telecommunications enhancements which embrace emerging technologies, but to actively implement them for consumers. Premiere anticipates the scope of services will include, but not be limited to: >=OC-12 SONET Access Facilities; Asynchronous Transfer Mode Services (ATM); ISDN/ADSL Services; T1/T3 Services, including T1/T3 upgrades to SONET OC-n; Integrated Wide Area Network Management Systems; and Fault-Tolerant Network Assemblies for Disaster Recovery.

Premiere also anticipates offering services aimed at the following applications, utilizing a variety of Custom Network Services and Delivery Systems for: Native LAN Connectivity; Supporting Business Resumption Centers; Televaulting and Remote Data Archiving; Teleradiology and Medical Applications; Education; and Remote Service Applications.

In order to provide a complete range of services, Premiere plans to provide the following traditional services: Local exchange and extended area service, toll restriction, call management features, touch tone, Caller ID services, and any other services available on a resale or unbundled network element basis from the incumbent local exchange carrier or other certificated carriers within Premiere's



service area. Premiere will not provide operator services, but through its interconnection arrangements with incumbent local exchange carriers, will offer 911/E911 Emergency Services, directory assistance, operator assisted calling and toll-free calling.

Finally, Premiere is planning to provide the following emerging Competitive Telecommunications Service: Advanced Features; Premium Services; InterLATA Toll Services; IntraLATA Toll Services; Switched Access Services; and Private Line Services

**Q: How will Premiere Network Services, Inc. provide its services in Tennessee?**

**A:** Premiere intends to launch service by reselling the services of an purchasing Unbundled Network Elements (UNEs) from the incumbent local exchange carriers in Tennessee. The UNEs Premiere proposes to purchase include Dark Fiber, High-Capacity Loops, ADSL and XDSL Loops and Sub-Loop Components, local switching and local transport.

**Q: In what areas of the State does Premiere Network Services, Inc. propose to provide service?**

**A:** While Premiere Network Services, Inc. has asked for authority to provide local services throughout the State of Tennessee, its primary markets will be the BellSouth exchanges. The specific exchanges will be listed within the Local Exchange Service Tariff that will be filed prior to the provision of service.

**Q: Is Premiere Network Services, Inc. currently providing service in any other state?**

**A:** Premiere Network Services, Inc. is currently providing service in Texas and has applied to the appropriate state Commissions to provide local service and access provider and interexchange carrier on a national scale. Premiere has received its certification authority to provide all forms of interexchange, exchange access and local exchange telecommunications services in the states of Florida, California, Colorado, Massachusetts, Washington, Wisconsin and New York. Applicant has not yet begun offering local exchange or interexchange services in Florida, California, Massachusetts, New York, Washington, Wisconsin or Colorado. In addition, Premiere has filed, or is currently in the process of filing, applications seeking authorization to provide local exchange, interexchange and access telecommunications services in Connecticut, Virginia, North Carolina, Oklahoma, Indiana, West Virginia, Nevada, and New Hampshire. Applicant intends to complete certification applications in the remaining states, including Hawaii and Alaska, within three months.

**Q: Does Premiere Network Services, Inc. have adequate access to capital necessary to provide the Tennessee intrastate services it proposes to offer?**

**A:** Yes, Premiere Network Services, Inc. possesses the financial qualifications required of applicants for a license to provide basic local exchange service. Premiere has sufficient financial resources to provide the proposed services.

Financial information was attached as **Exhibit E** of the original application under a protective order motion and has been submitted for filing in a sealed envelope and marked as highly sensitive material.

**Q: Will Premiere Network Services, Inc. provide its own billing services?**

**A:** Premiere Network Services, Inc. does not currently maintain its accounts in accordance with Generally Accepted Accounting Principals ("GAAP"). The invoices are prepared at corporate headquarters in Texas with sufficient detail so that customers can understand what they have purchased and for what price/rate. The billing system is capable of convergent billing so that all of the Premiere Network Services, Inc. services the customer subscribes to are listed on a single bill.

**Q: What procedures has Premiere Network Services, Inc. put in place to ensure that new customers have affirmatively selected its services?**

**A:** Premiere Network Services, Inc. has developed a procedure for assuring that new customers have affirmatively selected its services. All new customer orders require a written Letter of Authorization (LOA), signed by an authorized party. Training is provided to personnel in sales and order entry to ensure that no customer is ever obtained through any means that is questionable. Premiere Network Services, Inc. has adopted a strict, no-tolerance policy against "slamming".

**Q: Does Premiere Network Services, Inc. have a toll-free customer service number:**

**A:** Premiere Network Services, Inc. provides its customers with a toll-free customer service number, 888-773-4374. Customers can call the toll-free number 24 hours a day, seven days a week for prompt and courteous service. Premiere Network Services, Inc. customer service representatives are prepared to respond to a broad range of service matters; including the types of services offered, billing questions, concerns pertaining to the customer's current service and general telecommunications matters. In addition the Premiere Network Services, Inc. technical staff is available to address technical problems or issues.

**Q: Who is the Commission's point of contact for customer service issues?**

**A:** Ms. Jacquetta Peace, Operations Manager will be the Commission's point of contact for customer service issues during these proceedings and in the future. Ms. Peace can be contacted at 972-228-6810.

**Q: How will Premiere Network Services, Inc. handle customer complaints?**

**A:** Customers with complaints will have a customer service representative as their first point of contact. Customer service representatives have been trained to respond to usual and customary customer complaints. They are trained to understand complexity of complaints and will direct calls to appropriate people within the company. The customer service representative tracks whether or not the customer has been satisfied with the complaint resolution. At all times,

Premiere Network Services, Inc.'s policy is to treat customers with respect and understanding.

**Q: Has any state ever denied Premiere Network Services, Inc. authority to provide service for any reason?**

**A:** No

**Q: Will Premiere Network Services, Inc. abide by all applicable Commission rules and regulations?**

**A:** Yes. Premiere Network Services, Inc. will abide by all Tennessee rules and regulations applicable to new entrants that are currently in place or adopted in the future.

**Q: How will the public interest be served by approving this Application?**

**A:** The objective of the Federal Telecommunications Act of 1996 is to foster the development of competition for the ongoing benefit of consumers. The telecommunications industry is growing and changing at an impressive pace. Premiere Network Services, Inc.'s entry into the local market will enhance competition and therefore, benefit both business and residential customers. The demands of a competitive market provide for affordability of services and an assurance of quality service. Service providers who offer competitive pricing, innovative products, and excellent customer service will thrive within the market place. Consumers will have choices of what service provider best meets their needs. Companies that do not provide service that meets the customer

expectations can expect to lose market share and ultimately, be eliminated from the industry. In addition, Premiere Network Services, Inc. proposes to serve both residential and business customers so that all classes of customers can benefit from the evolving competitive market. Competing service providers will be required to be innovative, improving the efficiencies of operation, thereby reducing costs that can be passed on to consumers.

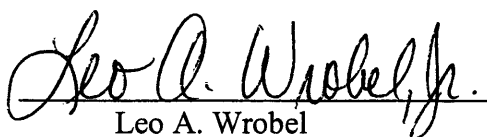
**Q: Does this conclude your testimony?**

**A: Yes, thank you.**

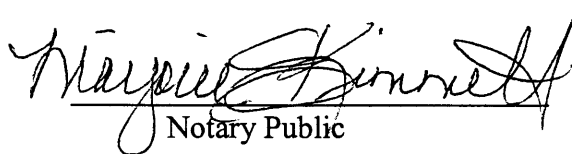
**VERIFICATION**

STATE OF TEXAS                     )  
  )  
COUNTY OF DALLAS                )

Leo A. Wrobel, being first duly sworn, deposes and says: That he is the President, Founder and CEO of Premiere Network Services, Inc., the applicant in the above proceeding, that he has read the foregoing pre-filed testimony, and knows the contents thereof; and that he is authorized to verify that the contents of the pre-filed testimony are true and correct.

  
Leo A. Wrobel

Subscribed and sworn to before me this 8<sup>th</sup> day of Aug, 2000.

  
Notary Public

My Commission Expires: 8-01-01

**EXHIBIT G**

**CORPORATE STRUCTURE CHART**



# Premiere Network Services, Inc. Present Staffing

